

# Financial Condition and Trends

## Missouri's Local Public Health System

Missouri's local public health agencies receive funding support from diverse sources. This report summarizes the differences in financing among agencies. For purposes of this exercise, reported revenue related to non public health services like home health and primary care was excluded. The primary focus is on locally generated fees and taxes as compared to revenue from contracts with Department of Health and Senior Services (DHSS). All information contained in this report was obtained from Form DH 37 (Annual Financial Report) submitted annually by each local public health agency.

### REVENUE IN SUPPORT OF LOCAL PUBLIC HEALTH

Revenue in support of local public health efforts increased each year from 1999 through 2001. In 1999, Missouri's local public health agencies collected \$107 million in revenue from local taxes and fees and DHSS contract payments. Between 1999 and 2000, local public health revenue increased by approximately 16% to \$124 million. By the end of 2001, combined local and DHSS revenue increased again by approximately 17% to \$145 million. (Graph 1.A)

Local agencies generated an additional \$9 million in 1999 from other sources, such as billing Medicaid and Medicare. Revenue from other sources increased to just over \$16 million in 2000, then decreased to approximately \$13 million in 2001. Other sources accounted for approximately 8% of local agencies' revenue in 1999 and 2001, and approximately 11% in 2000.

### PUBLIC HEALTH REVENUE FROM LOCAL VERSUS DHSS SOURCES

The amount of revenue from local support of public health increased from \$79 million in 1999 to \$104 million in 2001. This is an increase of about 32% during the three-year period. The amount of support coming from DHSS increased from \$28.1 million in 1999 to \$41.5 million in 2001, an increase of approximately 48%. (Graph 1.A)

### VARIATION IN SOURCES OF LOCAL PUBLIC HEALTH REVENUE BY SIZE OF POPULATION AND GOVERNANCE

The proportion of DHSS support varies with the size of agency. Greatest reliance on DHSS funding is in the smallest agencies governed by county government. In each size category, agencies with a Board of Trustees receive a higher proportion of funds from local sources than those under county government.

Board of Trustees governed agencies that serve populations fewer than 20,000 received an average of 46% of their public health revenue from DHSS in 1999 and 2000. In 2001, an average of 43% of their public health revenue came from DHSS. In comparison, this same size agency, when governed by a county government, received 66% of its public health revenue from DHSS in 1999. DHSS support accounted for an average of 63% of local public health revenue in 2000 and 59% in 2001 for these agencies. (Graphs 1.B and 1.C)

Board of Trustees governed agencies that serve populations from 20,001 to 40,000 received an average of 43% of their public health revenue from DHSS in 1999. In 2000 and 2001, an average of 41% and 37% respectively of their public health revenue came from DHSS. In comparison, this same size agency, when governed by a county government, received 59% of its public health revenue from DHSS in 1999. Their percentage of DHSS support amounted to 57% in 2000 and 54% in 2001. (Graphs 1.B and 1.C)

Board of Trustees governed agencies, as well as those governed by a city or county governmental body, that serve populations from 40,001 to 80,000 each received an average of 39% of their public health revenue from DHSS in 1999. In 2000 and 2001, Board of Trustee governed agencies received an average of 37% and 35% respectively of their public health revenue from DHSS. For those governed by a city or county government, the average percentage of public health revenue from DHSS remained at 39% in 2000 and declined only slightly in 2001 to 38%. (Graphs 1.B and 1.C)

Board of Trustee governed agencies that serve populations greater than 80,000 received an average of 16% of their public health revenue from DHSS in 1999, 17% in 2000, and 16% in 2001. Agencies governed by a city or county governmental body serving populations greater than 80,000 received an average of 26% of their total public health revenue from DHSS in 1999. The average percentage of DHSS support amounted to 30% of their public health revenue in 2000 and 19% in 2001. (Graphs 1.B and 1.C)

## AVERAGE PER CAPITA REVENUE

The statewide average per capita revenue in support of local public health from combined state and local sources increased from \$26 in 1999 to \$28 in 2001. (Graph 2.A) The portion of average per capita revenue coming from DHSS increased slightly from \$12 in 1999 and in 2000, to \$13 in 2001. (Graph 2.B)

## RANGE OF PER CAPITA REVENUE

Per capita local public health revenue varies widely, ranging from a low of \$5 to a high of \$61 in 2001. The highest per capita amount (\$61) was received by a Board of Trustees governed agency serving a population fewer than 20,000. DHSS provided \$41 of this amount; however, \$16 of the \$41 was to support a large summer food program. The lowest per capita amount (\$5) was received by an agency governed by county government and serving a population greater than 80,000. DHSS provided \$3 of the \$5.



## VARIATION IN AVERAGE PER CAPITA REVENUE BY SIZE OF POPULATION SERVED

In 2001, local public health agencies serving populations fewer than 20,000 received average per capita revenue of \$33, with an average of \$16 (about 50%) coming from DHSS. (Graphs 3.A and 3.B) Agencies serving populations greater than 80,000 received the next highest average per capita revenue from both sources of \$25, however, these agencies on average received the lowest per capita amount of \$4 (about 15%) from DHSS. (Graphs 3.G and 3.H) Agencies serving populations from 40,000 to 80,000 received the lowest average per capita revenue from both sources, \$18, with an average of \$7 per capita (about 39%) coming from DHSS. (Graphs 3.C, 3.D, 3.E and 3.F)

## FINANCIAL SOLVENCY

Although there are exceptions, local public health agencies that are governed by city or county governmental bodies generally are not able to carry remaining revenue balances forward to the next fiscal year. Agencies governed by a Board of Trustees are able to maintain cash balances of unspent revenue, and many hold reserves in certificates of deposit or other investments. At the end of 2001, the amount of reserve in cash or other liquid assets was substantial for some agencies. The average amount of reserve is greater proportionally with the size of population served by a Board of Trustees governed agency. At the end of 2001, agencies serving populations less than 20,000 had an average of \$375,000 in reserve. The average amount of reserve for agencies serving populations 20,001 to 40,000 was \$625,000. Agencies serving populations from 40,001 to 80,000 had an average reserve of \$875,000, and agencies serving populations greater than 80,000 had an average reserve of \$1.5 million. (Graph 4.A)

While the average amount of reserve is greater for larger agencies, the ratio of reserve to annual revenue is greater for small agencies. On average, agencies serving populations up to 40,000 have an amount in reserve to support their agencies' current operation for up to two years. The average reserve of the largest agencies would sustain their current level of operation for less than one year.